



DEPARTMENT OF THE NAVY

NAVAL FACILITIES ENGINEERING COMMAND  
200 STOVALL STREET  
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18 Feb 98

From: Commander, Naval Facilities Engineering Command  
To: Distribution

Subj: POLICY MEMORANDUMS (3-98)

Encl: (1) OASN memo of 27 Oct 1997; Subj: Information Technology  
Blanket purchase Agreements with GSA Multiple Award  
Schedule Contractors  
(2) OASN memo of 19 Dec 1997; Subj: Public Vouchers

1. Enclosures (1) and (2) are forwarded for your information and  
immediate implementation, as appropriate.

MIKE HOWARD  
Director, Strategic Operations

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DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH, DEVELOPMENT AND ACQUISITION  
1000 NAVY PENTAGON  
WASHINGTON DC 20350-1000

OCT 27 1997

MEMORANDUM FOR DISTRIBUTION

Subj: INFORMATION TECHNOLOGY (IT) BLANKET PURCHASE AGREEMENTS  
(BPAs) WITH GENERAL SERVICES ADMINISTRATION (GSA) MULTIPLE  
AWARD SCHEDULE (MAS) CONTRACTORS

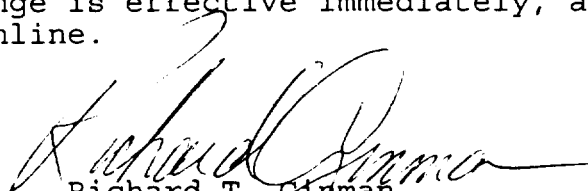
Encl: (1) Navy Acquisition Procedures Supplement (NAPS) Change #97-3

Recent regulatory changes have led to increased use of BPAs with GSA MAS contractors for IT. One benefit of these changes for the Department of the Navy (DoN) is that we can obtain significant cost savings by contracting with companies on a DoN-wide basis. While BPAs do not obligate the government to order anything, contractors often rely on expected purchasing volume to offer better prices. However, if multiple activities issue individual BPAs for similar products, this volume purchasing power is reduced for everyone, and the duplication of effort results in the unnecessary consumption of scarce DoN resources.

Accordingly, IT products and services should be acquired through BPAs and contracts which are available under ITEC Direct, the DoN's on-line catalog for IT products and services. This method is efficient and cost-effective, and provides convenient access to IT which is compliant with DoN and Department of Defense (DoD) standards and architectures.

DoN organizations shall not initiate new BPAs for IT products or services with Federal Supply Schedule contractors until they have validated that their requirements cannot be met through use of DoD/DoN BPAs or contracts provided on ITEC Direct. Activities considering the development of a new IT BPA should contact the ITEC Direct Project Manager (e-mail: itec.direct@HQ.NAVY.MIL) to avoid duplication of effort and to address issues of compatibility with ITEC Direct. When practicable, IT BPAs should be included in ITEC Direct for use by other DoN activities.

The enclosed NAPS change is effective immediately, and will be reflected in the NAPS Online.

  
Richard T. Gorman  
RADM (Sel), SC, USN  
Deputy for Acquisition and Business  
Management

Distribution:  
See next page

Subj: INFORMATION TECHNOLOGY (IT) BLANKET PURCHASE AGREEMENTS  
(BPAS) WITH GENERAL SERVICES ADMINISTRATION (GSA) MULTIPLE  
AWARD SCHEDULE (MAS) CONTRACTORS

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## **NAVY ACQUISITION PROCEDURES SUPPLEMENT (NAPS) CHANGE #97-3**

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The following new Subpart 5208.4 coverage is hereby incorporated into the August 1997 NAPS.

### **PART 5208**

#### **REQUIRED SOURCES OF SUPPLIES AND SERVICES**

##### **SUBPART 5208.4—FEDERAL SUPPLY SCHEDULES**

###### **5208.404 (DFARS 208.404) Using schedules.**

###### *(b) Ordering procedures for optional use schedules*

(4) *Blanket Purchase Agreements (BPAs)*. (i) BPAs for information technology (IT) products or services shall not be established with FSS contractors unless the activity's requirements cannot be met through the available DoN/DoD BPAs or IDIQ contracts included on "ITEC Direct." Activities can access this on-line catalog by connecting to the Internet and using a web browser to connect to ITEC Direct (<http://www.doncio.navy.mil/initiatives/initiatives.html>).

(ii) Activities considering the development of additional BPAs should coordinate with the ITEC Direct Project Manager (e-mail: [itec.direct@HQ.NAVY.MIL](mailto:itec.direct@HQ.NAVY.MIL)) to ensure that duplicative efforts are avoided and to receive assistance/guidance related to the issue of compatibility with and registration on ITEC Direct. Activities shall structure their BPAs for IT to allow for DoN-wide use and inclusion in ITEC Direct, if practicable, and shall comply with DoD and DoN IT standards and architectures.



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH, DEVELOPMENT AND ACQUISITION  
1000 NAVY PENTAGON  
WASHINGTON DC 20350-1000

19 Dec 1997

MEMORANDUM FOR DISTRIBUTION

Subj: PUBLIC VOUCHERS

Encl: (1) USD memo dated 14 Nov 97; same subject

By Enclosure (1), the Under Secretary of Defense requests that we remind all Navy activities that all requirements for contractors to submit detailed cost data for processing interim vouchers for cost reimbursement contracts should be eliminated unless such requirements can be shown to provide added value. Pursuant to DFARS 242.803, DCAA has the authority to approve interim vouchers for payment. Accordingly, other Government officials, such as Contracting Officer Representatives (CORs), should not duplicate the authority of DCAA by requiring the submittal of detailed cost data nor should they be assigned responsibility for certifying costs or performing cost verifications on public vouchers.

It is requested that you undertake a review of the responsibilities of cognizant CORs and eliminate any duplication of DCAA responsibilities. In addition, please ensure that all cognizant personnel are aware of the DFARS requirements regarding the proper processing of public vouchers for cost reimbursement contracts.

*Elliott B. Branch*

Elliott B. Branch  
Executive Director  
Acquisition & Business  
Management

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ACQUISITION AND  
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE  
3010 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-3010



NOV 14 1997

MEMORANDUM FOR ASSISTANT SECRETARY OF ARMY  
(RESEARCH, DEVELOPMENT, AND ACQUISITION)  
ASSISTANT SECRETARY OF NAVY  
(RESEARCH, DEVELOPMENT, AND ACQUISITION)  
ASSISTANT SECRETARY OF AIR FORCE (ACQUISITION)  
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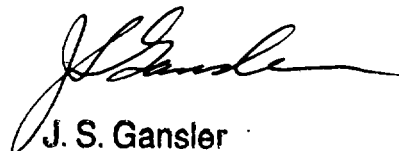
SUBJECT: Public Vouchers

It has recently come to my attention that many DOD components are requiring contractors to submit detailed cost data for processing interim public vouchers for cost reimbursement contracts. In many cases, this detailed data is not used, or it is used by DoD components or Contracting Officer Representatives (CORs) to perform tasks that are the responsibility of the Defense Contract Audit Agency (DCAA).

In accordance with Defense Federal Acquisition Regulation Supplement (DFARS) 242.803, DCAA has the authority and responsibility for audit examination and approval for payment of interim public vouchers. DCAA auditors perform both incurred contract cost audits and audits of the systems that generate contract costs. These audits provide auditors with information sufficient to enable them to either approve and sign public vouchers, or authorize a contractor to submit vouchers directly to the disbursing office for payment.

I ask you to ensure that your components stop requiring contractors to submit detailed cost information as part of the billing process, and to examine whether such detailed information is actually needed for any purpose. Special billing provisions increase the Department's cost of doing business, and they should be eliminated unless they provide added value.

Additionally, I recommend you undertake a review of the responsibilities assigned to CORs to ensure they do not duplicate the DCAA responsibilities set forth in DFARS 242.803. CORs should not be assigned the responsibility for certifying costs or performing cost verifications, such as reconciling contractor labor cost records or material cost invoices to amounts included on public vouchers.

  
J. S. Gansler



**SUBPART 242.8--DISALLOWANCE OF COSTS****242.801 Notice of intent to disallow costs.**

- (e) A corporate administrative contracting officer need not obtain the approval of the individual administrative contracting officers to disallow items of corporate expense.

**242.803 Disallowing costs after incurrence.**

- (a) *Contracting officer receipt of vouchers.*  
Contracting officer receipt of vouchers is applicable only for cost-reimbursement contracts with the Canadian Commercial Corporation. See 225.870-5(b) for invoice procedures.
- (b) *Auditor receipt of voucher.*
  - (i) The contract auditor is the authorized representative of the contracting officer for--
    - (A) Receiving vouchers from contractors;
    - (B) Approving interim vouchers for provisional payment (this includes approving the fee portion of vouchers in accordance with the contract schedule and administrative contracting officer instructions) and sending them to the disbursing office;
    - (C) Reviewing completion/final vouchers and sending them to the administrative contracting officer; and
    - (D) Issuing DCAA Forms 1, Notice of Contract Costs Suspended and/or Disapproved, to deduct costs where allowability is questionable.
  - (ii) The administrative contracting officer--
    - (A) Approves all completion/final vouchers and sends them to the disbursing officer; and
    - (B) May issue or direct the issuance of DCAA Form 1 on any cost when there is reason to believe it should be suspended or disallowed.